

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

PUGET SOUND ELECTRICAL
WORKERS HEALTHCARE TRUST, et al.,

Plaintiffs,

v.

CHAUDRY LLC,

Defendant.

C19-2098 TSZ

ORDER

THIS MATTER comes before the Court on the Motion of Plaintiffs Puget Sound Electrical Workers Healthcare Trust, Puget Sound Electrical Workers Pension Trust, Puget Sound Electrical Workers 401(k) Savings Plan Trust, and Puget Sound Electrical Joint Apprenticeship and Training Trust Fund Agreement (collectively, “Plaintiffs” or “Trust Funds”) for Entry of Default Judgment against Defendant Chaudry, LLC, docket no. 9. Having reviewed Plaintiffs’ Motion, the supporting documents, and the remainder of the record, the Court hereby enters the following Order.

Discussion

On May 22, 2020, the Court granted Plaintiffs’ Motion for Default against Defendant for failure to file an answer or otherwise plead in defense of this action. Docket no. 8. Plaintiffs now request (1) an order compelling Defendants to submit

1 payroll and related business records as set forth in the applicable trust agreements for an
2 audit; (2) that the Court retain jurisdiction to enter an amended judgment upon
3 determination of the total amount owed by Defendant; and (3) an award of attorney's fees
4 and costs.

5 Plaintiffs have alleged a cause of action under ERISA (Complaint, docket no. 1 at
6 ¶¶ 4.4-4.6) and have properly established subject matter jurisdiction and venue in this
7 Court. *Id.* at ¶¶ 2.1-2.2. Due to Defendant's default, the Court takes as true the well-
8 pleaded facts in Plaintiff's Complaint. *See LHF Prods., Inc. v. Holmes*, 2018 WL
9 3742189, at *2 (W.D. Wash. Aug. 7, 2018) (citing *TeleVideo Sys., Inc. v. Heidenthal*, 826
10 F.2d 915, 917-18 (9th Cir. 1987)). Defendant Chaudry signed letters of assent which
11 bound the company to master labor agreements with Plaintiffs. *Id.* at ¶¶ 3.2-3.2. Under
12 each of the master labor agreements, Chaudry agreed to pay fringe benefits to the Trust
13 Funds, beneficiaries of the master labor agreements, monthly for each hour of covered
14 work performed by the employees of the company and to cooperate with an audit of its
15 payroll and related business records by the Trust Funds. Exs. 12-15 to Pelletier Decl.,
16 docket no. 10; Complaint, docket no. 1 at ¶¶ 3.5-3.6. Chaudry also agreed to pay
17 attorney fees and costs of collection as part of the agreements. Complaint, docket no. 1 at
18 ¶¶ 3.10-3.13.

19 Under ERISA, trust funds such as Plaintiffs have a fiduciary duty to participants
20 and beneficiaries to undertake audits of employers to ensure proper reporting and
21 payment of contributions. *See Central States, Southeast and Southwest Areas Pension*
22 *Fund v. Central Transport, Inc.*, 472 U.S. 559, 105 (1985). In September 2018, the Trust
23

1 Funds attempted to such an audit of Chaudry's payroll and business records for the period
2 of January 1, 2017 through June 30, 2017. Complaint, docket no. 1 at ¶ 3.17. Chaudry
3 did not produce the requested records and failed to respond to the Trust Funds repeated
4 requests. Vaughn Decl., docket no. 11 at ¶¶ 2, 5-8. As a result, the Trust Funds filed the
5 present action on December 30, 2019.

6 The Court has authority to enter a default judgment against Defendant Chaudry
7 based on the Clerk's entry of default, docket no. 8, and pursuant to the Federal Rule of
8 Civil Procedure 55. The Court has been provided sufficient evidence to determine
9 liability and the amount of damages claimed. Fed. R. Civ. P. 55(b)(2). The Court also
10 determines that the factors set forth in *Eitel v. McCool*, 782 F.2d 1470, 1471-72 (9th Cir.
11 1986) weigh in Plaintiffs' favor.

12 Accordingly, the Court GRANTS default judgment against Defendant Chaudry.

13 **Conclusion**

14 For the foregoing reasons, the Court ORDERS:

15 (1) Plaintiffs' Motion for Entry of Default Judgment against Defendant
16 Chaudry, LLC, docket no. 9, is GRANTED.

17 (2) Within twenty-one (21) days of entry of this Judgment, Defendant Chaudry,
18 LLC is ORDERED to provide for the period January 1, 2017 through June 30, 2017, the
19 following documents to Plaintiffs' counsel or their auditor: (i) payroll summaries by
20 month; (ii) time-by-name reports ran for the entire testing period; (iii) timecard summary
21 reports by month; (iv) timecards and timesheets by week; (v) a job list, including
22 addresses for all jobs in Washington State; (vi) state Quarterly Unemployment Insurance
23

1 Reports for all quarters within the testing period, including the “941” report and excise
2 tax reports; (vii) an employee list, including complete job title and Local number (if
3 applicable) for union and non-union employees, as well as hire and termination dates for
4 each employee on the State Quarterly Unemployment Insurance Reports; and
5 (viii) other trade/craft remittances for other union employees for each trade and each
6 month in the testing period;

7 (3) The Court retains jurisdiction over this matter. In the event Plaintiffs find
8 discrepancies with Defendant’s reporting of fringe benefit contributions in any
9 subsequent audit, the Plaintiffs shall promptly move to reopen the case and amend their
10 complaint;

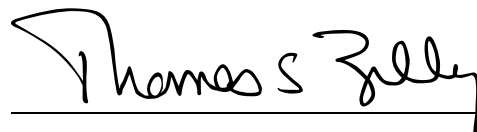
11 (4) Plaintiffs are AWARDED attorney fees of \$5,701.00 and costs of \$524.00
12 pursuant to 29 § U.S.C. 1132(g) for a total current award of \$6,225.00;

13 (5) In addition, Plaintiffs’ claimed attorney’s fees and costs will continue to
14 accrue. Plaintiffs will be required to support those amounts with evidence upon audit
15 completion and further briefing to this Court; and

16 (6) The Clerk is directed to enter Judgment consistent with this Order and to
17 CLOSE the case.

18 IT IS SO ORDERED.

19 Dated this 13th day of August, 2020.

20 

21 Thomas S. Zilly
22 United States District Judge
23